



SRUC

# Annual Procurement Report 2019-20



*SRUC. Scotland's Rural College*

*Leading the way in Agriculture and Rural Research, Education and Consulting*

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## Executive Summary

The Procurement Reform (Scotland) Act 2014 (PRA) requires all public organisations with an annual regulated<sup>1</sup> spend of £5 million or more to prepare and implement an annual procurement strategy. In parallel with this requirement, all organisations (including HE and FE institutions) must also publish an Annual Procurement Report (APR) which summarises procurement activities carried out during the same period as the procurement strategy.

This APR covers the period 1 April 2019 to 31 March 2020 and summarises the activities that have been carried out in delivering SRUC'S organisational procurement strategy. Stakeholder engagement is key to the development of the procurement strategy and will continue as the foundation for assessing SRUC's regulatory compliance, our strategic objectives, the constant pursuit of value for money (defined as the best balance of cost, quality and sustainability) in all that we do, and delivery against our broader aims and objectives. This process of review and reporting informs adjustments to the procurement strategy which are deemed necessary to secure future performance improvements and to respond to the economic, political and financial influences to which SRUC may need to adjust.

At the time of preparing this Report the devastating impact of the COVID-19 pandemic on National and International communities is only just being realised, and the long-term impact on businesses and their associated supply chains are unknown. The pandemic has highlighted the fragility of international supply chains and for tangible goods this will undoubtedly result in significant changes to the locations in which they are produced, the means by which they are procured, and their underlying cost structure. It is clear that uncertainty and economic turbulence will be the norm for many months, if not years to come. SRUC will therefore seek to support the full spectrum of its Suppliers by continuing to harness the structure and clarity offered by European Union and Scottish Government procurement legislation and regulations.

SRUC has identified that over the period covered by this report the following expenditure has occurred:

- EU regulated procurements (goods and services worth more than £189,330; works worth more than £4,733,252<sup>2</sup>) amounted to £6,931,000. There were 9 such procurements completed<sup>3</sup>.
- Lower value regulated procurements (goods and services worth more than £50,000, works worth more than £2 million) amounted to £1,792,700. There were 21 such procurements completed.

More detailed information on the regulated procurements, sorted into procurement categories, is provided in Sections 1 and 2 and in Annex A of this report.

Subject to the finalisation of SRUC's statutory accounts for 2019/20, total non-salary expenditure was £31,847,000, of which £22,177,000 could be influenced by procurement action - £16,209,000 of expenditure within Categories B, C and C1, and £5,968,000 of non-regulated expenditure. The College's non-salary spend is not only vital to its own sustainability but should also be viewed as a key contributor to the healthy, thriving and inclusive economy envisioned by [Scotland's National Outcomes](#). SRUC has over 8,000 active supplier accounts

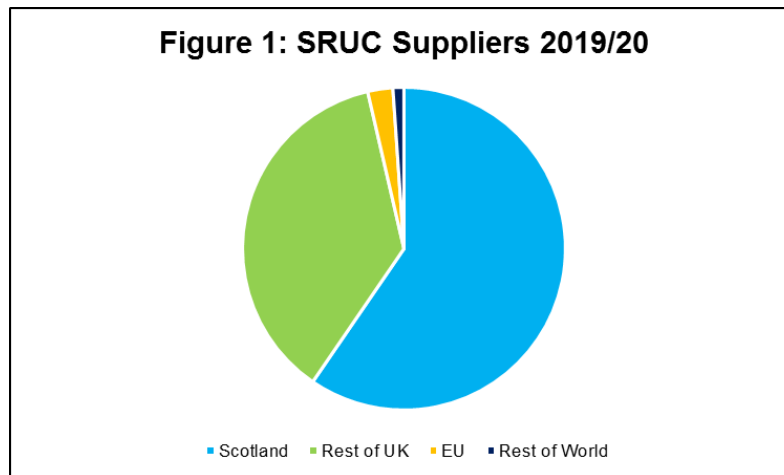
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<sup>1</sup> 'Regulated' procurements are those with an estimated value equal to or greater than £50k (≥ £12,500 per annum over a four-year contract period excluding VAT) for goods & services (or £2,000,000 excluding VAT for a public works contract).

<sup>2</sup> Public contracts ([EU thresholds](#)) are revised every 2 years – next due on 01 /01/2022.

<sup>3</sup> Deemed completed when the award notice is published or where the procurement process otherwise comes to an end – this assumption covers contracts and framework agreements.

on its Purchase Ledger and these range from sole traders through to established international organisations. During the reporting period the College did business with circa. 3,400 of those suppliers and while the geographic distribution of our suppliers remains consistent with previous years (see Figure 1), we have noted an increase of 2% in terms of those based in Scotland. This coupled with the increase in regulated contract awards to SMEs described in the report, underlines SRUC's commitment to supporting local businesses and their associated communities.



Whenever possible SRUC, has sought to use national, sectoral, local or regional C1 collaborative contracts and frameworks. In addition to leveraging the value of aggregate spend to deliver savings, the burden of risk and contract and supplier management are centralised. In addition, the efficiency of this unified approach also reduces the number of resource-intensive tenders that need to be completed. While the College's total procurement influenced spend through collaborative agreements remained consistent with prior years at 39%, the total procurement influenced spend during 2019/20 rose from 70% to 73%. This increase can be attributed to consolidation of service contracts (e.g. cleaning services, general waste management) and use of competitive tendering for requirements that support SRUC's strategic plan (e.g. degree awarding powers, audio-visual teaching equipment, building demolition / refurbishment).

This report comprises six sections, the first five cover mandatory reporting with the sixth being discretionary:

- Section 1: Summary of Regulated Procurements Completed
- Section 2: Review of Regulated Procurement Compliance
- Section 3: Community Benefit Summary
- Section 4: Supported Businesses Summary
- Section 5: Future Regulated Procurements Summary
- Section 6: Other Content for Consideration

**Report Approved: 20 July 2020**

**By: SRUC's Executive Leadership Team**

**Signed:**

**Position: Professor Wayne Powell, Principal and Chief Executive**

## Section 1: Summary of Regulated Procurements Completed

SRUC strongly believes in conducting all procurement activities in an open and transparent manner, and in line with our overarching organisational Strategic Plan.

The detailed summary of regulated procurement activities completed during the period of this report is set out in Annex A. That information, coupled with the publication of our [Contracts Register](#) and our systematic use of [Public Contracts Scotland](#) (PCS) and Quick Quotes, provides complete visibility of SRUC's regulated procurement activity.

In Annex A, information is set out to show lower value regulated procurements and EU regulated procurements that have been completed. These are separated into contract categories and use of collaborative contracts is shown separately from those let by SRUC. For each regulated procurement that was completed, the information provided shows:

- the date of award;
- the contract start date;
- the category and contract subject matter;
- the name of the supplier;
- the status of the supplier e.g. SME, Supported Business, etc.;
- estimated total value of the contract over the contract period;
- collaborative or institution owned;
- the end date provided for in the contract or a description of the circumstances in which the contract will end.



## Section 2: Review of Regulated Procurement Compliance

Where appropriate, SRUC has made use of collaborative contracts to deliver improved contract terms, supported contract and supplier management, sustainable procurement outcomes and value for money (being the best balance of cost, quality and sustainability). Primarily these contracts have been put in place for the benefit of the Scottish HE and FE sectors by [Advanced Procurement for Universities and Colleges](#) (APUC).

In making its regulated procurements every care has been taken to ensure that SRUC awards its business to suppliers who are capable, reliable and who can demonstrate that they meet high ethical standards and values in the conduct of their business. Further, in the period covered by this report the College has conducted all of its regulated procurements in compliance with EU Treaty Principles of equal treatment, non-discrimination, transparency, proportionality and mutual recognition.

SRUC began paying the Living Wage as the minimum wage for employees from November 2014. Since then, all contracted suppliers have been encouraged to also pay the Living Wage to any of their staff working on SRUC contracts. In June 2019 we were pleased to announce that after a project led by the Head of Procurement, SRUC achieved full [Living Wage Scotland](#) accreditation. This achievement sends a strong signal to all stakeholders that SRUC is committed to ethical employment practices, and that we view the payment of a Living Wage as a means by which communities across Scotland, both rural and urban, can flourish and maximise the opportunities for their citizens.

Since June 2016, SRUC has utilised a rolling Procurement Improvement Plan (PIP) as a key tool to ensure successful delivery against our [Procurement Strategy](#) objectives. The PIP seeks to deliver continual improvement across all aspects of the procurement process and outcomes over time, and is based on SRUC's assessment against the [Scottish Government Procurement & Commercial Improvement Programme](#) (PCIP). The PCIP is a useful tool through which the University/College sector is periodically assessed and which can provide valuable benchmarks by which necessary improvements might be identified, consulted over, planned and implemented. SRUC's most recent assessment was conducted by APUC in May 2019 (see Section 6, Note 6.1).

SRUC has procurement processes and sign off arrangements that are consistent with the guidelines set out in the [Scottish Procurement Journey](#), and in compliance with its Procurement Strategy, has met the objectives and obligations set out in the following schedules.

Procurement Strategy Statement	Annual Report Commentary on strategy delivery/compliance
<p>To sustain and further develop partnerships within the sector, with other publicly funded bodies, with professional bodies and appropriately with supply markets that will yield intelligence, innovation and deliver value to users of procurement services.</p>	<p>To ensure the success of SRUC's Procurement Journey, we have embedded a methodology that sets aside time for procurement managers to liaise both formally and informally with internal and external stakeholders. This investment supports the development of open communication, improved understanding of needs and requirements which in turn strengthens the value of our procurement activities. During 2019/20, procurement hosted 40 formal meetings with current and/or potential suppliers (an increase of 30% over 2018/19). Such meetings are used not only as a tool to refine SRUC's requirements but also as a means to explain and promote the benefits of public procurement processes, provide an overview of tender documents (including the <a href="#">ESPD</a>), explain how to submit a tender, and highlight key initiatives such as the Scottish Government's <a href="#">Supplier Journey</a>.</p> <p>Our approach has proved to be particularly important as part of SRUC's early response to COVID-19 where direct engagement with key suppliers (in particular those providing PPE and livestock feed) has maintained the continuity of supply, provided reassurance that SRUC is open for business and will continue to support its suppliers.</p> <p>Our procurement team continues to directly support APUC in the development and evaluation of its contracting plans. The Head of Procurement (HP) attends and contributes to APUC led Procurement Strategy Groups (PSG). Following the May 2019 Scottish Government declaration of a <a href="#">Climate Emergency</a>, our HP became a member of APUC's Climate Emergency Procurement Working Group (CEPWG) and sits on the CEPWG sub-groups responsible for Travel and Food. Members of our procurement team, and staff from across the College, have actively participated in APUC framework User Intelligence Groups and associated tender evaluations. They also actively engage with other bodies in pursuit of collaborative opportunities through attendance at HE and FE specific events, and wider Scottish Public Sector events.</p>

<p>To work with internal academic budget holders, professional support service colleagues and suppliers to deliver innovation and best value to the learning, research and service support communities through the development of an effective and co-ordinated purchasing effort within the Institution.</p>	<p>For each regulated procurement, a bespoke strategy is developed and agreed, through consultation, with key stakeholders, end users and suppliers. For non-regulated procurements, a similar approach is adopted, commensurate to the contract value and business impact of the goods and services in question.</p> <p>SRUC's procurement activities directly follow the guidelines set out in the Scottish Procurement Journey. This ensures that our approach is consistent, transparent and in line with Scottish Public Sector recognised best practice. In addition, Procurement proactively works to support SRUC's <a href="#">Strategic Plan</a>. This includes:</p> <ul style="list-style-type: none"> <li>• promoting the procurement process as a business enabler, not only for SRUC but also for our supply chains;</li> <li>• fostering partner relationships with suppliers to enhance research activities and the student experience;</li> <li>• seeking innovative procurement solutions that will build flexibility and sustainability into our business activities;</li> <li>• delivery of a strategically focused infrastructure programme to improve quality of staff and student accommodation and facilities (see Section 6.2), and to assist regional delivery through our North, Central, and South West Scotland Faculties;</li> <li>• encouraging participation by local businesses through direct engagement, advertising opportunities on PCS, use of PCS Quick Quotes, and where appropriate lotting of SRUC's requirements;</li> <li>• using the procurement journey as a means to achieve best value for money and to support initiatives to reduce overhead costs across SRUC.</li> </ul> <p>In addition, Procurement works closely with colleagues within the Finance Group including:</p> <ul style="list-style-type: none"> <li>• the review of non-regulated purchasing to eliminate unnecessary or duplicate spend, increase the value benefits of aggregated purchasing, reduce the cost of procurement and ensure compliance with procurement regulations;</li> <li>• reconciliation of budgets based on contracted pricing and associated timescales;</li> <li>• procurement reviews and approves all new supplier requests to prevent off-contract spend, ensure compliance with procurement regulations, and minimise the potential for fraud.</li> </ul>
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<p>To promote the delivery of value for money through good procurement practice and optimal use of procurement collaboration opportunities.</p>	<p>Delivery of best value for money is at the core of SRUC's procurement activities. We achieve this by critically assessing the balance between whole life cost, quality and sustainability before a procurement action is taken and subsequently over the life of a contract. We therefore consult with users and wider stakeholder groups to ensure that our procurement strategies and tender specifications are appropriately detailed, are fit for purpose, are clearly understood, and can be delivered successfully by suppliers. As previously noted, where possible, we aggregate requirements to maximise the benefit of our procurement action, whilst also seeking to minimise duplication and unnecessary procurement costs. However, we will always seek to strike a balance that will ensure that SMEs are not disenfranchised.</p> <p>To support this approach, Procurement carries out a quarterly review of general ledger expenditure and uses this data to categorise spend in to regulated and other procurement opportunities. The added value of procurement activities are quantified using a sector agreed <a href="#">Benefits Methodology</a> which provides transparency and comparability between institutions. For the reporting period, across all benefit types, £1.78 million of savings and efficiencies were recorded by SRUC. This represents a 4.5% increase over that recorded in 2018/19.</p> <p>SRUC continues to utilise sector framework agreements whenever possible. Such agreements have a proven record of delivering best value for money across, a diverse portfolio of goods and services, by market leading suppliers committed to providing a quality service. With 39% of influenced spend being placed through frameworks during the reporting period, we recognise that there is scope to further promote their use across the whole of SRUC. On a quarterly basis, SRUC's use of frameworks is discussed with our APUC account manager and we will work to increase our use of appropriate frameworks during 2020/21.</p> <p>Where the specialised nature of our requirements has not been provided for by an existing framework, SRUC has taken the lead in collaborative procurement exercises. As a result we continue to work closely with the procurement team at the James Hutton Institute (JHI), and since the relocation of SRUC's Veterinary Services to shared premises in January 2019, the Moredun Research Institute (MRI). The relationships that were built for the supply of specific requirements have now developed and through regular contact we discuss the similar challenges that each procurement team faces, and explore ways in which we can further work together. At the time of writing this report, we have begun discussing the feasibility of a joint approach to procuring the PPE that will be required by our respective institutions post-COVID-19.</p> <p>How the categorised spend on goods, services and works are bought - joint purchasing, use of local, regional and national framework agreements, consolidated contracting – is subject to a formal biennial PCIP review BY APUC. It is a testament to our overall approach that our PCIP score has increased year-on-year. A summary of our most recent assessment, which was conducted in May 2019 can be found in Section 6.1 of this report.</p>
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<p>To seek out professional development opportunities to enrich and enhance experience and capability of procurement practitioners and to work with the supply chains to ensure continued value, managed performance and minimal risk throughout the life of contracts for the benefit of customers and students.</p>	<p>Procurement at SRUC sits within the Finance Group and during the reporting period, was managed by a team of three (2.8 Full Time Equivalent) staff. Two members of the team hold relevant professional qualifications. All members of the team maintain full training records and provision for training (technical, competency and career development) is made within the Finance Group Budget. We participate in training courses organised for the sector by APUC and utilise APUC's e-learning resources to further enhance team member's capabilities.</p> <p>In addition, staff also attended open events provided by suppliers to the HE and wider Scottish Public Sector. These events have proved to be highly beneficial as they not only offer updates on new or innovative goods/services but also provide the opportunity for our team to network and develop relationships that could lead to future collaborative opportunities. One such event was hosted by the Royal Bank of Scotland and included a <a href="#">Construction Project Bank Account</a> (PBA) update provided by a representative of the Scottish Government. Having been the first Scottish HE Sector organisation to implement a PBA, we were happy to share our experience with the group during the section's question and answer session.</p> <p>Continual Improvement is key to ensuring that SRUC's procurement process remains fit for purpose and delivers tangible benefits to our stakeholders. In November 2019 we introduced a new form of tender feedback that provides detailed information to assist both successful and unsuccessful suppliers in their future public sector tendering. Suppliers are now provided with a detailed comparison of scoring, comments on their response to each question, and where relevant, why a winning supplier scored higher. Reaction from suppliers has been positive and we will continue to seek feedback to further refine this approach.</p> <p>Regular, formal supplier meetings are held over the life of contracts. It is an important part of SRUC's Procurement Journey, that ownership of contracts is shared between procurement, internal stakeholders and the supplier. These meetings therefore provide an opportunity for each party to discuss performance, provide feedback, agree contract variations, and plan for future activities. A management plan is employed as a key tool to ensure that mutual benefit is realised over the life of a contract.</p> <p>All of SRUC's regulated procurement contracts are subject to a risk review with details held on a procurement risk register which is updated every six months. During 2019 a separate review was carried out to reflect the uncertainties posed by Brexit. The lessons learned from this exercise has proved invaluable as SRUC faces up to the further challenge posed by COVID-19. An initial assessment of the potential impact of the pandemic on contracts has been completed and along with mitigating actions, this has been shared with SRUC senior management. SRUC will continue to monitor the impact of Brexit and COVID-19 over the coming months and take mitigating action where possible.</p>
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<p>To develop sound and useful procurement management information to measure and improve procurement and supplier performance in support of corporate planning conducted through fair and transparent process.</p>	<p>As noted, SRUC's procurement procedures have been mapped directly to the Scottish Government's Procurement Journey. This provides robust internal governance procedures and with our adoption of paperless processing, a transparent and efficient means of managing regulated procurements. As a further layer of control, prior to commencing all regulated procurements and those below the regulatory thresholds, internal stakeholders are required to complete a business case for procurement. This ensures that before the procurement process begins, it can be clearly demonstrated that proposed spend has been approved and budgeted, and that consideration has been made of alternative solutions, added value, business benefits, payback period of investment, and sustainability.</p> <p>At the conclusion of a procurement process, and before a contract is awarded, a Contract Award Recommendation Report (CARR) is prepared and approved in line with SRUC's Authorisation Policy. The CARR summarises the procurement and provides transparency on key points including whether objectives have been met, value for money delivered, added value achieved, and lessons learned.</p> <p>All regulated procurements are advertised on PCS and where appropriate <a href="#">OJEU</a>. For those procurements below the regulatory thresholds, where appropriate, we use Quick Quotes. Our use of PCS and Quick Quotes expands the opportunity for SMEs to participate in tenders and during the reporting period 60% of regulated contracts were awarded to SMEs. This represents an increase of 5% over 2018/19. SRUC recognises the importance of SMEs within its supply chain and where suitable, opportunities will be broken down into manageable lots to further encourage SME participation.</p> <p>Expenditure segmentation analysis is carried out to inform future procurement activities and provide management information. Data for analysis is drawn from SRUC's General Ledger along with annual spend data located on APUC's Hub, and Hunter database. General Ledger data is analysed on a quarterly basis and our methodology allows analysis down to nominal code level which can be cross referenced to individual purchase transactions for each supplier. The availability of digital copies of all invoices provides a further dimension to procurement's understanding which in turn allows expenditure to be consolidated and real cost efficiencies generated.</p>
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To embed sound ethical, social and environmental policies within the Institution's procurement function and to comply with relevant Scottish, UK and EC legislation in performance of the sustainable procurement duty.

As a proud member of the [Athena Swan Charter](#), SRUC is committed to and strives for equality of opportunity for all its students and staff (existing and prospective), and recognises and celebrates the diversity of all stakeholders. In support of this commitment, during 2019 we included a question in tenders that required suppliers to explain (backed by evidence) their approach to equality, diversity and inclusivity (EDI). It was disappointing to note that many suppliers struggled to answer this question, with most failing to provide evidence or using a list of the [nine protected characteristics](#) of the Equality Act 2010 as the basis of their response. Those that did respond well highlighted a broad range of embedded initiatives including:

- equality in recruitment and career progression;
- equal pay scales;
- gender equality in management teams;
- age and ethnically diverse teams;
- prayer rooms and provision of leave to support religious belief;
- flexible working and career breaks.

The nature of positive responses was highlighted to less successful suppliers as part of their post-tender feedback. SRUC will continue to use such questions as a tool to help expand equality and diversity in its supply base.

SRUC's Procurement Journey requires consideration of environmental, social and economic issues and benefits on a contract-by-contract basis during the planning and strategy development stages of tenders. SRUC continues to include APUC's [Supply Chain Code of Conduct](#) in all regulated procurements with suppliers being required to confirm they, and their supply chains, will adhere to the Code of Conduct.

Procedures are also in place to ensure that regulated procurements are only awarded to businesses that are capable, reliable and, where relevant, meet high ethical standards and values in the conduct of their business. The use of the [European Single Procurement Document](#) (ESPD) for all regulated procurements has been particularly valuable in achieving these goals. SRUC also carries out credit checks of suppliers prior to contract award and at regular intervals during the life of a contract. In addition, where appropriate, SRUC requires suppliers to confirm the disclosure or back-ground checks that they carry out prior to staff appointment and during employment. A Supplier Declaration of Conflict of Interest is also included with tender documents. Completion of this declaration adds a further level of transparency and helps mitigate the risk of fraud and/or reputational damage for both SRUC and its suppliers.

SRUC seeks to contract only with suppliers that comply with all appropriate and relevant legislation. Where applicable, and on a contract by contract basis, SRUC will assess the legislation pertinent to each procurement and take steps to ensure bidders comply with it e.g. Health and Safety, Equality, and Late Payment legislation. As noted previously, in June 2019 SRUC becoming a fully accredited [Scottish Living Wage Employer](#). Where relevant and proportionate, SRUC encourages the adoption of the Living Wage and application of fair work practices by both current and future suppliers.

	<p>In line with the provisions of the Modern Slavery Act 2015 (the Act), SRUC has published its <a href="#">Modern Slavery Act Statement</a> and is fully committed to a zero tolerance policy towards slavery and human trafficking. We are committed to maintaining and improving our systems and processes to avoid any complicity in human rights violations, both in relation to our own operations and those of our supply chain. Our procurement policies and tender processes are regularly updated to ensure, where relevant, consideration of and compliance with the Act is required for our main suppliers and their supply chain partners. Finally, to assist our staff and aid their understanding of the impact of Modern Slavery, during 2019 all staff were required to complete an e-learning module as part of their annual personal development plan. Going forward, this module will be subject to regular review and update, and staff will be required to refresh their understanding.</p>
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### Section 3: Community Benefit Summary

SRUC is committed to maximising Community Benefits from its procurement activities. For every procurement over £4m, SRUC will consider how it can improve economic, social or environmental wellbeing through inclusion of community benefit clauses, to assist with achieving sustainability in contract activity, including targeted recruitment and training, small business and social enterprise development and community engagement. Where possible, relevant and proportionate, and where they are considered not to have a negative impact on the delivery of value for money, such clauses may be included in regulated procurements valued at below £4m.

SRUC's approach to identifying community benefit opportunities is carried out on a case-by-case basis, with engagement and consultation with stakeholder groups being seen as key. Where relevant and proportionate to the subject matter of the procurement, the requirement is then built into the procurement specification and into the eventual conditions of contract performance.

As part of the tendering process, suppliers are invited to describe their approach to delivering the community benefits noted in the tender specification. It is important to stress that any community benefits noted are not seen as absolute, and that suppliers are encouraged to identify additional benefits or opportunities that will deliver social value through the performance of a contract.

As noted in the [Scottish Government's Annual Report on Procurement Activity in Scotland 2019](#), relevant community benefits include, but are not restricted to:

- training and qualifications;
- offering advice and assistance on the best practice methodology,
- work placements and job creation opportunities,
- apprenticeships,
- business support for SMEs, third sector and supported businesses,
- volunteering,
- supply-chain development activity,
- curriculum support,
- reduction in environmental impact.

During the reporting period SRUC did not award any contracts over the regulated procurement contract threshold of £4 million.

Community benefits generated by other contracts awarded below the £4 million threshold during the reporting period include:

- elimination of 2.52 tonnes (5.7 tonnes for the contract to date) of CO<sub>2</sub> as a result of using a local hire car provider to supply Elmwood Campus;
- payment of the Living Wage to all supplier operatives engaged on the Catering and Cleaning contracts which cover Aberdeen, Oatridge, Elmwood and Auchincruive Campuses;
- the expansion of catering services that resulted in the creation of three new Living Wage jobs at the Peter Wilson Building, Edinburgh (see Section 6.2);
- utilisation of locally sourced produce and local suppliers in the provision of Catering services at Aberdeen, Edinburgh, Oatridge and Elmwood Campuses;
- provision of a 5% rebate to SRUC's Students' Association on all orders placed with SRUC's Safety Wear and PPE supplier by the Association;



- sponsorship of a Student of the Year prize (including provision of a £300 voucher to spend on golf equipment or clothing and press coverage) by SRUC's golf equipment supplier;
- provision of training modules and site visits by SRUC's golf equipment supplier for 25 HNC students studying at Elmwood Campus;
- Cleaning supplier committing to
  - A minimum of ten 1-week work experience placements for young people with work to be carried out on SRUC's contract;
  - Two new apprenticeships to be created at each of SRUC's Regional Faculties;
  - 44 days of paid time for the supplier's staff to engage in charitable volunteering;
- Waste suppliers providing
  - Waste operative training via workshops, tool box talks and audits to ensure contractual environmental targets are achieved;
  - Educational visits to recycling plants for SRUC staff and students;
  - Support to SRUC students including training placements and dissertation advice.

## **Section 4: Supported Business**

For all regulated procurements SRUC considers whether the service provision could be fulfilled by a Supported Business, whilst remaining compliant with EU and Scottish Procurement Legislation, and ensuring value for money for the College. We review the Supported Business register currently available and published by the [Partnership for Procurement](#), and cross reference the operating areas of listed businesses against the procurement requirement.

SRUC did not reserve any contracts for supported businesses in this period. However, in the same period, purchase orders of £6.8k were placed with an Edinburgh and Lothian social enterprise in respect of laundry services. In addition, as part of the Peter Wilson Building Arcade refurbishment (see Section 6.2) pre-tender market analysis, meetings were held with two supported business furniture suppliers and one subsequently submitted a tender.

## **Section 5 – Future Regulated Procurements**

SRUC is keen to encourage competition by maximising supplier participation in its procurement process to achieve better value for money in its procurements, and to increase opportunities for SMEs to support all aspects of its activities. One method of achieving this is to give notice to suppliers of tendering opportunities that are expected to commence over the next two financial years after the period covered by this report.

In preparing this forward projection of anticipated regulated procurements, it is difficult to be precise about providing exact details of our requirements. Over a forecast period of two years it is likely that, especially in light of the COVID-19 pandemic, circumstances and priorities will change, so the list of projected individual regulated procurement exercises outlined in Annex B should be viewed with this caveat in mind.

The information provided in Annex B covers:

- the subject matter of the anticipated regulated procurement;
- whether it is a new, extended or re-let procurement;
- the expected contract notice publication date;
- expected award date;
- expected start and end date;
- the estimated value of the contract;
- contract category A, B, C or C1;

## Section 6 – Other Content for Consideration

### 6.1 Procurement and Commercial Improvement Programme (PCIP)

The PCIP assessment provides a means of measuring and reporting on the procurement and commercial capability of organisations through the provision of evidence, based around a series of set questions and other evaluation methods.

The PCIP includes Full, Medium and Lite Assessments which contain defined question sets, scoring and performance bandings. In addition, organisations are required to provide specific evidence to their assessor (in SRUC's case this is APUC) is required at least six weeks before the PCIP assessment day, as well as on the assessment day itself.

Since the introduction of the PCIP in 2016, SRUC has been reviewed against the Medium level criteria and, as highlighted in the table below, has seen an improvement in score at each assessment. This is a testament not only to the efforts of SRUC's procurement team, but also to staff across the organisation through their compliance with procurement policies and procedures.

	<b>2016 Interim</b>	<b>2016 Actual</b>	<b>2019 Projected</b>	<b>2019 Actual</b>	<b>2021 Projected</b>
<b>SRUC Score</b>	25%	56%	66% - 69%	67%	>70%

At the conclusion of each assessment, APUC issues a summary report which includes recommendations on how procurement activities can be developed. These recommendations are adopted and included within SRUC's Procurement Improvement Plan (PIP). Subject to a review and update every six months, the PIP has proved to be a useful tool for driving continuous improvement including

- an increased influence of the procurement team in major and routine procurement activity. Procurement is viewed across the organisation as a business enabler rather than an inhibiting bureaucratic process;
- an improved understanding of contract coverage and associated risks. This has been of particular value as SRUC has faced the challenges posed by Brexit, and more recently the on-going Coronavirus pandemic;
- a strengthened link between procurement strategy and SRUC's organisational strategy;
- closer engagement with existing and potential suppliers with the aim of building an ethos of innovative partnership working;
- proactive delivery of training for Procurement staff, and those across the organisation that hold delegated purchasing authority;
- increased cooperation with sector organisations including the sharing of new practices and adoption of recognised best practice procedures.

## 6.2 Case Study: Investing in the Student Experience

SRUC is currently delivering a comprehensive, bold and ambitious programme of transformational change. [‘Shaping our Future’](#) sets out our vision for a unique 21<sup>st</sup> Century Rural Enterprise University at the heart of the economy. By becoming a University, SRUC can prepare for a bright future in charge of our own destiny, attract more students, and drive economic growth.

Throughout SRUC, we aim to improve our service delivery by transforming the way we deliver education, consultancy and research services and ensure that a more integrated approach to our work will bring benefits to our customers, both internal and external. To achieve this our Estate needs to be fit for purpose, project our confidence about our future and demonstrate our commitment to excellence.

The Arcade area at the Peter Wilson Building, Edinburgh Campus was identified as a key area requiring a re-imagining of use and general refurbishment. Traditionally the Arcade was a general space for students to gather during the day and had also seen occasional use for staff gatherings, exhibition of student work, informal meetings, and other events. However, it was not considered to offer the comfort or facilities which would encourage students to stay on site between classes, nor was it a fully utilised hub for staff collaboration.



**The Arcade before refurbishment**

With the installation of a coffee pod (provided under Catering Services Contract Ref. 12645) to replace the Arcade’s vending machines, a new vision for the Arcade developed that would include better use of space, improved internet connectivity, decorative enhancements and innovative seating arrangements. SRUC’s contracted space planning consultant, Space Strategies, was requested to develop outline plans that would help achieve this vision. These plans were used as the basis for consultation and feedback workshops attended by representatives from the student body and Campus staff. The inclusion of a living wall in the plans was particularly well received by the students studying Horticulture.

In parallel with student and staff engagement, five SME construction companies were invited to attend an on-site “meet the buyer event”. This included a presentation of the outline plans, a discussion of technical aspects of the works where suppliers were invited to make

suggestions and highlight concerns, and a walk through the site. Further engagement was carried out with potential furniture suppliers, including two supported businesses.



**Space Strategies: Vision for the Arcade**

Invitations to quote for the works element and furniture requirements were issued in June 2019. The quote pack included updated plans, design drawings and specifications relevant to each requirement and a list of minimum quality standards (including furniture construction, sustainable sourcing, recycling, Equalities compliance, and Health & Safety / Fire regulations). As part of their response, suppliers were required to explain how they have embedded equality and diversity within their workforce, and how they would ensure that the products and materials that they would use in the Arcade were sustainably sourced. In addition, the invitation to quote encouraged innovative responses as a means to increase supplier engagement, and to deliver best value for money.

Three submissions for the works and three (including one from a supported business) for the provision of furniture were received. All submissions were of good quality and contracts were ultimately awarded to:

- Works: William Waugh & Sons (Builders) Ltd, Dumfries;
- Furniture: Azzuro Limited, Airdire.

While the Supported Business was unsuccessful on this occasion, SRUC will continue to seek opportunities to engage with and include Supported Businesses in future tender opportunities.

The works element of the project was timed to coincide with the summer recess. Coupled with a supplier that was willing to work out of hours, the impact on Campus life was minimised. In partnership with SRUC's Project Management Office and our Campus Estates Service, works were completed and furniture was installed in time for the return of students for the 2019/20 academic year.

This was a successful and satisfying project for the key stakeholders: SRUC's students and staff. The procurement approach, along with regular updates and engagement during the build has delivered a number of benefits, including:

- an enhanced student experience that has delivered a welcoming environment for collaborative learning and social activities;



- integration and encouragement of students and staff to visit and use the Arcade before, during and after periods of formal learning and working. A student and staff survey conducted in December 2019 recorded overall satisfaction with the project and 77% of respondents considered the space delivered all of their needs, and that they would use the Arcade and its facilities every week;
- an increased sense of pride within our Edinburgh staff and students;
- a fit for purpose environment from which to provide catering services.



**The completed Arcade**

## Annex A: List of Regulated Procurements Completed in the Reporting Period 1 April 2019 – 31 March 2020

### Compliant

Please note that due to COVID-19 restrictions, some of the indicated contract end dates may be extended.

Category Subject	Supplier Name	Date of Award	Owner: Cat A/B/C or C1?	Start Date	End Date	Value over contract period	SME status	Supported Business
Website Redesign & Implementation (Ref. 13998)	Equator	08/04/2019	C	18/04/2019	07/04/2021	£186,000	Yes	No
WAN Services (Ref. 14133)	Daisy Communications Ltd	29/03/2019	B	01/04/2019	31/03/2022	£163,000	No	No
Clinical Waste (Ref. 14153)	Stericycle	26/04/2019	B	01/06/2019	31/05/2022	£44,000	No	No
Lead Project Manager for South & West Faculty (Ref. 14382)	Faithful & Gould	10/09/2019	B	10/09/2019	14/02/2020	£30,000	No	No
Allermuir Avian Innovation and Skills Centre FF&E (Ref. 14431)	Workspace (Scotland)	04/04/2019	C	05/04/2019	29/05/2019	£67,600	Yes	No
Supply and Installation of Audio-Visual Teaching Equipment (Ref 14930)	AVMI Scotland	22/05/2019	B	01/06/2019	19/12/2019	£41,000	Yes	No
Cleaning Services (Ref. 15090)	Pristine Clean Services Ltd	05/08/2019	C	12/08/2019	11/08/2020	£556,000	Yes	No
Supply of Electricity (Ref. 15108)	EDF Energy Ltd	01/04/2019	B	01/04/2019	31/03/2022	£1,936,000	No	No
Water & Waste Water (Ref. 15096)	Business-Stream	14/06/2019	B	01/04/2020	31/03/2023	£990,000	No	No
Purchase of specialised academic teaching and project supervision in Plantsmanship and Botanics (Ref. 15111)	The Royal Botanic Garden, Edinburgh	10/05/2019	C1	01/09/2019	31/08/2024	£775,000	No	No
PWB Arcade Furniture (Ref. 15230)	Azzuro Limited	09/08/2019	C	11/09/2019	10/11/2019	£43,000	Yes	No

Category Subject	Supplier Name	Date of Award	Owner: Cat A/B/C or C1?	Start Date	End Date	Value over contract period	SME status	Supported Business
PWB Arcade Refurbishment (Ref. 15231)	William Waugh & Sons (Builders) Ltd	09/08/2019	C	04/10/2019	03/12/2019	£137,500	Yes	No
Biomass Fuel (Ref. 15232)	Pentland Plants Limited t/a Pentland Biomass	19/11/2019	C	01/12/2019	30/11/2020	£44,260	Yes	No
Oatridge Campus Boiler Replacement (Ref. 15569)	Livingston Mechanical Services Ltd	29/03/2019	C	01/04/2019	31/08/2019	£237,000	Yes	No
Equine Studies Practical Provision (Ref. 15597)	Aberdeen Riding Club	18/02/2020	C	18/02/2020	17/02/2020	£70,200	Yes	No
LV Switch Gear (Ref. 15619)	Pulse Electrical	26/03/2019	C	01/05/2019	31/07/2019	£112,000	Yes	No
Rural Skills Trailers (Ref. 15620)	TCM Trailers Ltd	17/01/2020	C	17/01/2020	31/03/2020	£48,000	Yes	No
Soft Services Consultancy (Ref. 15674)	Merritt-Harrison Catering Consultancy	21/10/2019	B	01/12/2019	30/11/2026	£85,000	Yes	No
Bi-Fold Door and Roof Lighting Replacement (Ref. 15844)	Marshall Construction Ltd	19/06/2019	C	19/06/2019	23/08/2019	£89,200	Yes	No
Degree Awarding Powers Professional Support (Ref. 15909)	Advance HE	03/12/2019	C	03/12/2019	31/07/2020	£65,000	Yes	No
Liquid Fuel (Ref. 16080)	Certas Energy UK Ltd Trading as Scottish Fuels	14/10/2019	B	14/10/2019	30/03/2022	£200,000	No	No
Mobile Telephone Services (Ref. 16094)	Vodafone UK Ltd	13/11/2019	B	31/01/2020	30/01/2022	£167,400	No	No
Forth Residence Boiler Replacement (Ref. 16406)	Livingston Mechanical Services Ltd	29/11/2019	C	29/11/2019	11/02/2020	£47,000	Yes	No
Allan Watt Building & Cottage Demolitions (Ref. 16407)	Dalton Demolitions	31/01/2020	C	04/06/2020	31/05/2020	£70,200	Yes	No

<b>Category Subject</b>	<b>Supplier Name</b>	<b>Date of Award</b>	<b>Owner: Cat A/B/C or C1?</b>	<b>Start Date</b>	<b>End Date</b>	<b>Value over contract period</b>	<b>SME status</b>	<b>Supported Business</b>
General Waste Management (Ref. 9055)	Lot 1 - Biffa Waste Services Ltd; Lot 2 - CCL North Ltd; Lot 3 - Veolia ES (UK) Ltd	29/07/2019	B	02/09/2019	01/09/2022	£1,278,000	No	No
Animal Care Unit Refurbishment (Ref. 16451)	Interact Interiors Ltd	03/05/2019	C	20/05/2019	19/07/2019	£229,000	Yes	No
Stationery & Office Supplies (Ref. 16490)	Office Depot	31/01/2020	B	01/02/2020	31/07/2021	£120,000	No	No
Boardroom Refurbishment (Ref. 16699)	William Waugh & Sons (Builders) Ltd	24/01/2020	C	24/01/2020	30/04/2020	£62,300	Yes	No
Natural Gas (Ref. 17159)	Total Gas & Power	01/09/2019	B	01/04/2020	31/03/2022	£730,000	No	No
Amazon Business Account (Ref. 17519)	Amazon UK	09/03/2020	B	10/03/2020	09/03/2022	£100,000	No	No

## Non-Compliant

The following contracts were awarded without competitive action:

Category Subject	Supplier name	Date of Award	Owner: Cat A/B/C or C1?	Start Date	End Date	Value over contract period	Compliance issue	Proposed Solution
Skype for Business (Ref. 16495)	Gamma Communications plc	10/01/2020	C	17/03/2020	16/07/2021	£50,000	Gamma currently provides SRUC's analogue and digital telephony connectivity. As a change of service provider requires preparatory work and all lines to be ported over to a new provider, it was determined that a 16 month contract award to Gamma would maintain continuity of telephone services while SRUC determines how these services will be provided in the future.	To ensure best value for money, future requirements for digital solutions will be subject to quotes being sought in line with SRUC's procurement policy. However, reference to and compatibility with existing equipment and software will be required to harmonise costs and benefits against the impact on business activities.
Business Case Preparation (Ref. 16980)	Johnston Houston	18/02/2020	C	28/02/2020	On completion of OBCs for North and Central Faculties, and the FBC for South & West Faculty	£70,700	Johnston Houston had previously supported the preparation of the Outline Business Case (OBC) for SRUC's South & West Faculty. As the OBCs and Full Business Case (FBC) are intrinsically linked, to ensure consistency in approach and output, it was determined that the best value and quickest outcome could be achieved by contracting Johnston Houston.	To ensure best value for money, future requirements for business case support will be subject to quotes being sought in line with SRUC's procurement policy.

## Non-Compliant: COVID-19 Contract Extensions

The following contracts that were due to be tendered in early 2020/21 were awarded interim extensions, with re-tenders to be carried out during the extension period.

Category Subject	Supplier name	Date of Award	Owner: Cat A/B/C or C1?	Original Contract End Date	Extension Start Date	Extension End Date	Reason for extension
Travel Management Services (Ref. 16495)	Click Travel	20/04/2020	B	31/07/2020	01/08/2020	31/12/2020	It was identified that a number of the suppliers under APUC travel framework PFB4039 SU Lot 1 (which includes the incumbent) had been forced to put staff on furlough leave. As a result, their capacity to respond effectively to an invitation to tender could be compromised. Therefore, to ensure fair treatment for all framework suppliers the decision was taken to extend the contract with Click for an interim period of 6 months. It is hoped that if COVID-19 restrictions begin to ease during this period, the invitation to tender will be issued.
Safety Work Wear and PPE (Ref. 4866)	Guthrie Group Ltd	30/04/2020	C	29/06/2020	30/06/2020	29/06/2021	As has been extensively reported, COVID-19 has resulted in extreme pressure on the Global supply of PPE. To secure, where possible, SRUC's supply of PPE it was determined that to potentially move away from a supplier that has consistently met its KPIs, holds an excellent understanding of SRUC's requirements and demonstrated flexibility in supply could have a negative impact on SRUC's staff and students in the short to medium term. In addition, by extending their contract by 12 months, SRUC's continued business will help to support Guthrie Group (an SME) in line with Scottish Government's guidance note <a href="#">SPPN5/2020</a> .



## Annex B: List of Regulated Procurements planned to commence in next two Financial Years, 2020/21 & 2021/22

Category Subject	Owner: Cat A/B/C or C1?	Re-Let, extension or new procurement	Expected contract notice publication date	Expected Date of Award	Expected Start Date	Expected End Date	Estimated Value over contract period
Travel Management Services	B	Re-let	N/A – framework mini-competition	01/12/2020	01/01/2021	31/12/2024	£600,000
Safety Work Wear and PPE	C	Re-Let	01/02/2021	01/05/2021	30/06/2021	29/06/2024	£800,000
Internal Audit	B	Re-Let	N/A – framework mini-competition	01/02/2021	01/04/2021	31/03/2024	£45,000
External Audit	B	Re-Let	N/A – framework mini-competition	31/12/2020	01/02/2021	31/01/2024	£70,000
Tax Advisory Services	B	Re-Let	N/A – framework mini-competition	31/12/2020	01/02/2021	31/01/2024	£25,000
Hire of Cars and other motor vehicles	B	Re-Let	N/A – framework mini-competition	01/03/2021	01/04/2021	31/03/2023	£160,000
Maedi Visna Test Kits	C	Re-Let	01/09/2020	01/11/2020	01/12/2020	30/11/2022	£50,000
Pig Livestock Feed	C1	Re-Let	01/01/2021	01/03/2021	01/04/2021	31/03/2023	£900,000
Electricity	B	Re-Let	N/A – continuation of Scottish Procurement framework	01/04/2021	01/04/2021	31/03/2023	£2,000,000
Natural Gas	B	Re-Let	N/A – continuation of Scottish Procurement framework	01/04/2022	01/04/2022	31/03/2024	£720,000
Education Prospectus	C	Re-Let	01/08/2020	01/09/2020	01/09/2020	01/09/2021	£30,000
Cattle & Sheep Livestock Feed	C1	Re-Let	01/06/2021	01/09/2021	01/10/2021	30/09/2023	£2,000,000
Johnes ELISA Test Kits	C	Re-Let	01/08/2021	01/09/2021	01/10/2021	30/09/2023	£460,000
Biomass Fuel	C	Re-Let	01/10/2021	01/12/2021	01/12/2021	30/11/2023	£90,000
SAN & Virtualisation Technology	C	Re-Let	01/12/2021	15/01/2022	07/02/2022	06/02/2022	£62,000
Agricultural Fertiliser & Lime	C1	Re-Let	01/01/2022	01/03/2022	01/04/2022	31/03/2024	£500,000
BVD Ab ELISA Test Kits	C	Re-Let	01/02/2022	01/04/2022	01/05/2022	30/04/2024	£90,000
Cleaning Materials and Disposable Paper Products	B	Re-Let	01/02/2022	01/03/2022	01/04/2022	31/03/2024	£60,000
MAP DNA Extraction and MAP PCR Test Kits	C	Extension	N/A – provided for within existing contract	01/08/2020	10/09/2020	09/09/2022	£20,000

<b>Category Subject</b>	<b>Owner: Cat A/B/C or C1?</b>	<b>Re-Let, extension or new procurement</b>	<b>Expected contract notice publication date</b>	<b>Expected Date of Award</b>	<b>Expected Start Date</b>	<b>Expected End Date</b>	<b>Estimated Value over contract period</b>
Cattle & Sheep Livestock Feed	C1	Extension	N/A – provided for within existing contract	01/09/2020	30/09/2020	29/09/2021	£1,000,000
Biomass Fuel	C	Extension	N/A – provided for within existing contract	15/11/2020	01/12/2020	30/11/2021	£45,000
Market Research Services	C	Extension	N/A – provided for within existing contract	01/12/2020	06/01/2021	05/01/2023	£140,000
Agricultural Fertiliser & Lime	C1	Extension	N/A – provided for within existing contract	01/02/2021	01/04/2021	31/03/2022	£250,000
Space Planning Consultant	C	Extension	N/A – provided for within existing contract	01/02/2021	14/02/2021	13/02/2022	£40,000
Cleaning Materials and Disposable Paper Products	B	Extension	N/A – provided for within existing contract	01/03/2021	01/04/2021	31/03/2022	£30,000
Website Redesign & Implementation	C	Extension	N/A – provided for within existing contract	01/03/2021	08/04/2021	07/04/2022	£90,000
Security Services and Equipment	B	Extension	N/A – provided for within existing contract	01/05/2021	04/06/2021	03/06/2023	£100,000
Student Transport	C	Extension	N/A – provided for within existing contract	01/06/2021	17/07/2021	16/07/2022	£156,000
Electrical Services (PAT Testing)	B	Extension	N/A – provided for within existing contract	01/06/2021	01/07/2021	30/06/2023	£220,000
Office, Computer and Library Supplies	B	Extension	N/A – provided for within existing contract	01/07/2021	01/08/2021	31/07/2022	£100,000
Mobile Telephones and associated services	B	Extension	N/A – provided for within existing contract	01/01/2022	31/01/2022	30/01/2024	£170,000

<b>Category Subject</b>	<b>Owner: Cat A/B/C or C1?</b>	<b>Re-Let, extension or new procurement</b>	<b>Expected contract notice publication date</b>	<b>Expected Date of Award</b>	<b>Expected Start Date</b>	<b>Expected End Date</b>	<b>Estimated Value over contract period</b>
Portable Fire Equipment Services	B	Extension	N/A – provided for within existing contract	01/03/2022	01/04/2022	31/03/2024	£40,000
Wide Area Network (WAN) Services	B	Extension	N/A – provided for within existing contract	01/03/2022	01/04/2022	31/03/2023	£80,000
Managed Cleaning and Soft Facilities Maintenance	C	New	10/10/2019	12/05/2020	05/08/2020	04/08/2024	£3,384,000
Digital Strategy	C	New	15/03/2020	01/06/2020	15/06/2020	30/09/2020	£80,000
Lead Project Manager: Inverness Rural Veterinary Hub	C	New	17/04/2020	15/06/2020	01/07/2020	30/06/2023	£75,000
Design Team: Inverness Rural Veterinary Hub	C	New	15/07/2020	15/08/2020	01/09/2020	30/06/2023	£625,000
Main Construction Contractor: Inverness Rural Veterinary Hub	C	New	January 2021	March 2021	April 2021	30/06/2023	£4,800,000
LPG fuel	B	New	N/A – framework mini-competition	15/08/2020	01/09/2020	31/08/2022	£120,000
Livestock Bedding: Sawdust & Straw	C1	New	January 2021	February 2021	March 2021	March 2024	£700,000

## Annex C - Glossary of Terms

### A, B, C and C1 Contracts

Category A	<b>Collaborative Contracts available to all public bodies</b> <ul style="list-style-type: none"> <li>• <b>Scottish Procurement</b></li> </ul>
Category B	<b>Collaborative Contracts available to public bodies within a specific sector</b> <ul style="list-style-type: none"> <li>• <b>Scottish Procurement</b></li> <li>• <b>APUC and other UK HE Consortia</b></li> <li>• <b>Scotland Excel</b></li> <li>• <b>NHS National Procurement</b></li> <li>• <b>Crown Commercial Service</b></li> </ul>
Category C	<b>Local Contracts for use by individual public bodies</b>
Category C1	<b>Local or regional collaborations between public bodies</b>

**APUC's Code of Conduct** - APUC and its client community of colleges and universities is committed to carrying out procurement activities in an environmentally, socially, ethically and economically responsible manner and to entering into agreements and contracts with suppliers that share and adhere to its vision. To demonstrate this commitment, current and potential suppliers are asked to acknowledge their compliance with the principles of the APUC Supply Chain Code of Conduct with respect to their organisation and their supply chain.

**Sustainability Based Benefits** - sustainability benefits where costs are not normally relevant can be reported but will normally be described in narrative including but not limited to the following areas:

- Reduction in waste – packaging and / or further use of residue from processes etc.
- Reduction in consumption - use of raw materials (consumables, utilities etc.)
- Recycling and/or reuse of products
- Enhanced Reputation and/or marketing opportunities
- Community Benefits delivery
- Carbon Reduction

Social, equality and / or environmental improvements

**Category Subject** - a collection of commodities or services sourced from the same or similar supply base, which meet a similar consumer need, or which are inter-related or substitutable.

**Community Benefits** - requirements which deliver wider benefits in addition to the core purpose of a contract. These can relate to social- economic and or environmental. Benefits. Community Benefits clauses are requirements which deliver wider benefits in addition to the core purpose of a contract. These clauses can be used to build a range of economic, social or environmental conditions into the delivery of institutional contracts.

**Contracts Registers** - these typically provide details of the procurement exercise to capture key information about the **contract** (the goods and services, values, date started, expiry date, procurement category etc.).

**Cost Avoidance** - the act of eliminating costs or preventing their occurrence in the first place. It tends not to show up on, but materially impacts, the bottom-line cost and is normally referred to as a “soft” cost saving i.e. negating supplier requests to increase costs, procuring services/goods/ works under budget, obtaining prices lower than the market average/median.

**Contract management** - or contract administration is the management of contracts made with customers, suppliers, partners, or employees. Contract management activities can be divided into three areas: service delivery management; relationship management; and contract administration.

**EU regulated procurements** - are those whose values require that they are conducted in compliance with the Public Contracts (Scotland) Regulations 2015 and the Procurement Reform (Scotland) Act 2014.

**Flexible Framework** - Self-Assessment Tool (FFSAT) enables measurement against various aspects of sustainable procurement.

**Hub (Spikes Cavell)** - The Scottish Procurement Information Hub is provided by Spikes Cavell as a spend analysis tool allowing organisations to: -

- Identify non-pay spend on external goods and services
- Identify key suppliers and how many transactions are made with each
- Highlight common spend across suppliers and categories
- Identify spend with SMEs and/or local suppliers

This information means that individual organisations and Centres of Expertise can identify where collaborative opportunities might exist and where transactional efficiencies could be made.

For more information, visit the Scottish Government's [Hub](#) page.

**Hunter** - Hunter has been developed by the eSolutions team. It is a database solution which uses standard Microsoft packages (Access and SQL Server) enabling organisations to effectively monitor and report on collaborative contracting activities.

As a solution, it is operational within the HE/FE sector in Scotland and is also being utilised by the HE consortia in England and Wales that also provide collaborative contracting services to the sector. Hunter has a multi-level structure which allows consortia to share collaborative agreements, make them visible to their member organisations, and in turn enabling them to record their own contracts.

**Institutional Dashboard** - the area within the APUC Buyers Portal being developed by the APUC eSolutions team providing easy access to institutions' key management reporting data being recorded centrally through **Hunter**. The dashboard currently hosts key regulatory procurement information on Contracts Registers, forward contracting plans, expenditure reporting and APR Data. The list of reports is planned to expand to cover savings and PCIP dashboard data.

**Lotting** - the Public Contracts (Scotland) Regulations 2015 encourage the use of lots (regulation 47), to promote competitiveness and to facilitate the involvement of SMEs in the public procurement market, by considering the appropriateness of dividing contracts into lots to smaller contracts

**OJEU thresholds** - OJEU is the Official Journal of the European Union, the gazette of record for the European Union. Around 2500 new notices are advertised every week - these include invitations to tender, prior information notices, qualification systems and contract award notices. The European public contracts directive (2014/24/EU) applies to public authorities and the following thresholds will apply to procurement carried out whose value equals or exceeds specific thresholds. The present thresholds are (net of VAT): - for Supply, Services and Design Contracts, £181,302, for Works Contracts £4,551,413. Public Contracts (EU) thresholds are revised every 2 years – this is next due on 01/01/2020.

**Output Specification** - requirements are set out in terms of what you want to achieve, leaving the tenderers to decide on how they will deliver those requirements. This can lead to innovation by the tenderers. The services detailed in the output specification

should be capable of objective assessment so that the performance of the supplier can be accurately monitored.

**Prioritisation** - the Sustainable Public Procurement Prioritisation Tool which is a tool to aid all procuring organisations across the Scottish Public Sector designed to bring a standard structured approach to the assessment of spend categories.

**Procurement Journey** - the public procurement toolkit with guidance and templates on the procurement process to facilitate a standardised approach to the market and contract and supplier management.

**Procurement & Commercial Improvement Programme (PCIP)** - replaced the previous Procurement Capability Assessment (PCA) and focuses on the policies and procedures driving procurement performance and more importantly, the results they deliver.

**PCS (Public Contracts Scotland)** - the national advertising portal used to advertise all public sector goods, services or works contract opportunities.

**PCS-Tender** - the national eTendering system, and is centrally funded by the Scottish Government. The system is a secure and efficient means for buyers and suppliers to manage tender exercises online. The standard templates enable buyers to create consistent tender documentation.

**Segmentation** - the division and grouping of suppliers or contracts in relation to spend and its criticality to business.

**Small and Medium Sized Enterprises (SMEs)** - encompass –

- Micro enterprises: enterprises which employ fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed £1.57 million.
- Small enterprises: enterprises which employ fewer than 50 persons and whose annual turnover and/or annual balance sheet total does not exceed £7.86 million.
- Medium enterprises: enterprises which are neither micro nor small, which employ fewer than 250 persons and which have an annual turnover not exceeding £39.28 million, and/or an annual balance sheet total not exceeding £33.78 million.

**Social Enterprises** - revenue-generating businesses with primarily social objectives whose surpluses are reinvested for that purpose in the business or in the community, rather than being driven by the need to deliver profit to shareholders and owners.

**Supply Chain** - encompasses all activities, resources, products etc. involved in creating and moving a product or service from the supplier to the procurer.

**Supported business** - an economic operator whose main aim is the social and professional integration of disabled or disadvantaged persons, and where at least 30% of the employees of the economic operator are disabled or disadvantaged persons.

**Supported employment programme** - an employment programme operated by an economic operator, the main aim of which is the social and professional integration of disabled or disadvantaged persons, and where at least 30% of those engaged in the programme are disabled or disadvantaged persons.

**Sustain** - the APUC supply chain sustainability web portal, a central hub where sector suppliers can complete and store sustainability compliance data. The portal is the core supply chain sustainability tool supporting HE and FE institutions and their suppliers in delivering a transparent, environmentally positive, ethical and socially responsible supply chain

**Sustainable Procurement** - A process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis and generates benefits, not only for the organisation but also to society, the economy and the environment.

**Third-Party Expenditure** - is calculated based upon the total value of invoices paid per annum, excluding VAT, to all suppliers for the purchase of goods and services. It



is defined as including: goods – tangible products such as stationery, which are often also known as supplies. Services – provision of an intangible product such as refuse collection, elderly home care, whether carried out internally or externally. Works – including construction works and utilities – energy costs. It excludes employee costs, non-cash expenditure (e.g. depreciation), grants, trust payments and other non-controllable payments to other publicly funded bodies but should include spending on agency staff, capital expenditure and programme spend on commodities and services.

*Wage Power.*